

Message Text

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CAB - C. COLDREN

ARA/APU - MR. FELDER (SUBS)

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P 272113Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES PRIORITY

UNCLAS STATE 188104

E.O. 11652:N/A

TAGS: EAIR, AR

SUBJECT: CIVAIR: CAB DISAPPROVES AEROLINEAS' PROPOSED

SCHEDULES

REF: BUENOS AIRES 6387

1. ON APRIL 22, 1974 AEROLINEAS ARGENTINAS REQUESTED CAB TO APPROVE THREE ADDITIONAL FLIGHTS BETWEEN US AND ARGENTINA VIA SPECIFIED INTERMEDIATE POINTS, AND TO ADD NEW YORK AS COTERMINAL POINT WITH MIAMI ON TWO EXISTING FLIGHTS. CAB DENIED THIS REQUEST (ORDER 74-5-94 EFFECTIVE MAY 17, 1974) ON THE FOLLOWING GROUNDS: "CONSIDERING THE DENIAL BY THE GOVERNMENT OF ARGENTINA OF THE APPLICATION BY UNITED STATES CARRIERS TO PROVIDE ADDITIONAL FREQUENCIES BETWEEN THE UNITED STATES AND ARGENTINA...THE FOUNDATION OF RECIPROCITY, UPON WHICH OPERATIONS BETWEEN THE TWO COUNTRIES ARE BASED, WILL NOT PROVIDE SUFFICIENT JUSTIFICATION FOR THE UNITED STATES TO PROVIDE ADDITIONAL SERVICE OPPORTUNITIES FOR THE ARGENTINA CARRIER AT THIS TIME." IN ADDITION, CAB ORDER DIRECTED CARRIER TO FILE MONTHLY STATISTICAL REPORTS AS TO ITS EXISTING OPERATIONS.

2. ON JUNE 28, 1974 AEROLINEAS FILED AGAIN WITH CAB,

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REQUESTING THAT APRIL 22 SCHEDULES BE APPROVED FOR SEPT. 1,

1974. AEROLINEAS ASSERTED THAT PREVIOUS CAB ORDER: 1) VIOLATED TERMS AND CONDITIONS OF APPLICANT'S OUTSTANDING PERMIT; 2) WAS IMPROPERLY ADOPTED UNDER THE APPLICABLE REG-

ULATIONS (PART 213); 3) REPRESENTED DENIAL OF RECIPROCITY BETWEEN UNITED STATES AND ARGENTINA; 4) WAS DISCRIMINATORY INsofar AS IT REQUIRED MONTHLY REPORTS CONCERNING EXISTING OPERATIONS. IN ADDITION, AEROLINEAS REQUESTED THAT ANY CAB ORDER DENYING THE APPLICATION BE SUBMITTED TO THE PRESIDENT.

3. CAB ON AUGUST 20, 1974 (ORDER 74-8-77) AGAIN DISAPPROVED PROPOSED AEROLINEAS SCHEDULE AND AFFIRMED REQUIREMENT FOR SUBMITTING EXISTING TRAFFIC STATISTICS. THIS ORDER BEING AIR POUCHED TO EMBASSY. CAB ORDER REBUTTED AEROLINEAS' OBJECTIONS TO PREVIOUS DENIAL AS FOLLOWS:

A) ALTHOUGH CARRIERS' PERMIT CONTAINS CONDITIONS WHICH ARE IN EFFECT IDENTICAL TO PART 213 PROVISIONS, THE ORDERS RELATING TO FILING AND DISAPPROVAL OF CARRIER'S PROPOSED SCHEDULES WERE SPECIFICALLY ISSUED PURSUANT TO PART 213 REGULATIONS. "THEREFORE, THE PRESIDENT'S LETTER UPON APPROVAL OF THE INITIAL PERMIT CONDITIONS, REQUESTING THAT ANY DISAPPROVAL OF THE CARRIER'S SCHEDULES BE SUBMITTED TO HIM FOR APPROVAL, HAS NO APPLICATION TO THE ORDERS PROMULGATED UNDER PART 213. MOREOVER, THE PERMIT CONDITIONS WERE INCLUDED IN THE PERMIT PRIOR TO THE PROMULGATION OF PART 213. THE ADOPTION OF PART 213 WAS ACCOMPANIED BY THE AMENDMENT OF AEROLINEAS' PERMIT, AS WELL AS OF PERMITS OF ALL OTHER FOREIGN CARRIERS TO MAKE SUCH PERMITS SUBJECT TO PART 213 PROCEDURES. ACCORDINGLY, ANY PRESIDENTIAL APPROVAL REQUIREMENT INITIALLY APPLICABLE BY REASON OF THE PRESIDENT'S LETTER WOULD HAVE BEEN ALTERED BY SUCH PERMIT AMENDMENT." FINALLY, A FULL 10 DAY PERIOD HAD ELAPSED FOLLOWING SUBMISSION TO THE PRESIDENT (MAY 6) PRIOR TO ITS EFFECTIVE DATE (MAY 17).

B. CAB FINDS NO MERIT TO ARGUMENT THAT SCHEDULE REFUSAL REPRESENTS DENIAL OF RECIPROCITY. THE UNITED STATES

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HAS NEVER EQUATED RECIPROCITY WITH PARITY OF OPERATIONS, BUT RATHER HAS MEASURED RECIPROCITY IN TERMS OF ECONOMIC OPPORTUNITIES AFFORDED EACH PARTY. USG HAS GRANTED ARGENTINE CARRIER TRAFFIC RIGHTS BETWEEN NUMEROUS INTERMEDIATE POINTS AND THE UNITED STATES. THESE MARKETS ARE LARGER THAN INTERMEDIATE POINT - ARGENTINE MARKETS TO WHICH U.S. CARRIERS HAVE ACCESS. ACCORDINGLY, IT IS DENIAL BY GOVERNMENT OF ARGENTINA OF U.S. AIR

CARRIER APPLICATIONS FOR FREQUENCY INCREASES THAT REPRESENTS EROSION OF RECIPROCITY.

C. CAB FINDS NO DISCRIMINATION BY REASON OF REQUIREMENT THAT CARRIER FILE MONTHLY TRAFFIC REPORTS. SIMILAR

REQUIREMENTS HAVE BEEN IMPOSED ON OTHER CARRIERS WHERE CALLED FOR.

D. REQUEST THAT ANY ORDER DENYING APPLICATION BE SUBMITTED TO THE PRESIDENT IS DENIED SINCE APPLICABLE REGULATIONS MAKE NO PROVISION FOR SUCH SUBMISSION.

4. CAB ORDER FURTHER STATES THAT BOARD WILL RECONSIDER ITS ACTION SHOULD GOVERNMENT OF ARGENTINA SHOW WILLINGNESS TO AUTHORIZE NEW SERVICES FOR U.S. CARRIERS SERVING ARGENTINA. KISSINGER

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